

Jobs & Economic Growth Plans: House Democrats vs. GOP

	Democratic Plan	House GOP Plan
Promotes Economic Growth?	Yes. Promotes economic growth by putting money in the pockets of average Americans to boost consumer demand and by being fiscally responsible – which is crucial to holding down interest rates and encouraging business investment in the long term.	No. Makes a bad economy worse, helping to create a \$2 trillion budget deficit, which Federal Reserve Chairman Greenspan has said will harm the economy in order to pay for tax breaks for the wealthy.
Tax Cuts to create jobs now?	Yes. Will create more than 1 million jobs this year at no cost to the Treasury.	No. Costs \$550 billion and creates a fraction of the jobs in the Democratic plan.
Tax Cuts for Working Families?	Yes. Includes permanent tax cuts for most American families – including an immediate increase in the child tax credit, marriage penalty relief and the expansion of the 10% tax bracket. The child tax credit will reach <u>2.6 million more kids and their families than the GOP plan.</u>	No. The plan centers on tax cuts on stock dividends and capital gains – both of which economists have rated as very ineffective in stimulating the economy. Under the GOP plan, 53% of taxpayers will get a tax cut of less than \$100, while millionaires will receive more than \$93,000. (Tax Policy Center, 5/6/03)
Adequate Help for the Unemployed?	Yes. Extends unemployment benefits, providing financial help to 5 million out of work Americans – which economists have rated as one of the most effective stimulus.	None.
Relief for the States?	Yes. Provides \$44 billion in aid to the states for homeland security, highways, education, and health care to minimize state and local tax increases and service cuts.	No. Fails to provide any relief to states.
Incentives for Employers to Hire the Unemployed	Yes. Companies would get a tax credit worth up to \$2,400 for hiring anyone who has been out of work at least 6 months.	No.
Small Business & Manufacturing Tax Cuts?	Yes. Includes \$29 billion in tax cuts for small businesses and business investment, as well as business tax relief to strengthen U.S. manufacturing and create new jobs here in the United States.	Does nothing to strengthen manufacturing. Includes small business incentives, but the costly dividend tax cut and resulting deficits will negatively affect investment in small business and their access to capital.